GOVERNMENT OF INDIA
COAL AND MINES
LOK SABHA

UNSTARRED QUESTION NO:4530
ANSWERED ON:22.04.2002
REGULATORY AUTHORITY FOR MINING SECTOR
SUBODH MOHITE

Will the Minister of COAL AND MINES be pleased to state:

(a) Whether the Government have chalked out any plan to boost the flow of Foreign Direct Investment (FDI) in the mining sector;

(b) If so, the details thereof;

(c) Whether the Government propose to set up exclusive regulatory authority for the mining industry;

(d) If so, the details thereof;

(e) If not, the reasons therefor; and

(f) The measures proposed to reduce the existing gap between the level of mining technology in the country and developed countries?

Answer

MINISTER OF STATE IN THE MINISTRY OF COAL AND MINES (SHRI RAVI SHANKAR PRASAD)

(a) and (b) The Government has liberalized its FDI policy in the mining sector which allows foreign equity holding upto 100%, on the automatic route for all minerals (except diamonds and precious stones). This covers exploration, mining, mineral processing and metallurgy. In the case of diamonds and precious stones, foreign equity upto 74% is allowed on the automatic route for both exploration and mining operations. However, proposals seeking higher than 74% foreign equity for diamonds & precious stones are considered by the Foreign Investment Promotion Board (FIPB). The Mines & Minerals [Development & Regulation] Act, 1957 has also been suitably amended to make it more investor friendly. The Department of Mines has been utilizing various national and international fora to publicise the liberalized FDI policy with a view to attract foreign investment into the Indian mining sector.The Government has also put in place a monitoring mechanism to review the implementation of approved FDI projects.

(c) to (e) Not for the present.

(f) The mining sector has been liberalized with a view to attract advanced technology from developed countries.